

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1997-57-E - ORDER NO. 2009-438

JUNE 26, 2009

IN RE: Request of Progress Energy Carolinas, Incorporated for Approval of Large General Service (Experimental - Real time Pricing) Schedule LGS-RTP)))))	ORDER APPROVING REVISION OF SCHEDULE
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This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of Progress Energy Carolinas, Incorporated (“PEC” or “the Company”) for approval of a revision of the Company’s Large General Service (Experimental – Real Time Pricing) Schedule LGS-RTP-12, which would permit the use of emergency or back-up generation in response to real time pricing (“RTP”) hourly rates without requiring the use of standby service.

Progress asserts that customers participating in this experimental tariff have requested that they be permitted to operate emergency generation during periods of high RTP hourly rates without incurring the need to first contract for standby service. This will allow the customer to reduce electrical requirements in response to high RTP hourly rates by either reducing manufacturing operations or by self-generating. This offers the customer, according to PEC, an economic benefit whenever the RTP hourly rate exceeds the customer’s cost to generate. The Company states that it will also benefit PEC and its other ratepayers by reducing system demand during peak hours.

The Company notes that implementing this change as a part of the experiment will allow it to test whether the generator response is dependable and can therefore be relied upon as a system resource. PEC has historically allowed the use of customer-owned emergency generators in response to its Curtailable Load riders without requiring standby service and found them to be reliable. As with other PEC tariffs that address customer-owned generation, if the customer operates the generator in parallel with PEC's grid, the customer is required to install and maintain devices necessary to protect the generation equipment and service and to automatically disconnect the generation equipment when service is affected by electrical disturbances. The Office of Regulatory Staff ("ORS") does not object to the request for revision.

We have examined this matter, and have determined that the request for a revision to Schedule LGS-RTP-12 should be approved. No notice or hearing is required, due to the provisions of South Carolina Code Ann. Section 58-27-870 (F) (Supp. 2008), which states that when new rates or tariffs are for experimental purposes, no notice or hearing is required. The present revision is to an experimental tariff.

We believe that, for customers on this schedule, this revision will reduce electrical requirements during periods of higher cost, provide an economic benefit to the customer when it can generate electricity for less than the current purchase price, and result in a lower system demand during peak hours, which will benefit the Company as well as other ratepayers. Further, this revision allows PEC to test whether the customer's generator response is a dependable source of generation and can be relied upon in the future. Again, the request for a revision is approved. The Company shall file ten (10)

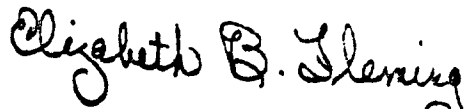
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copies of the revised schedule within ten (10) days of receipt of this Order with this Commission and ORS.

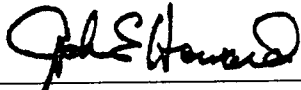
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Elizabeth B. Fleming, Chairman

ATTEST:



John E. Howard, Vice Chairman

(SEAL)